

LEADING INDEX, DEC 2022

MALAYSIA'S LEADING INDEX DECREASED 0.6 PER CENT TO 110.7 POINTS IN DECEMBER 2022, ANTICIPATING THE NEAR TERM GROWTH MOMENTUM WOULD BE AT EASE

Leading Composite Index (2015=100) and Annual Change (%)

0.3%

Sept. 2022: 109.9 points
Sept. 2021: 109.6 points

September 2022

0.4%

Oct. 2022: 109.6 points
Oct. 2021: 109.2 points

October 2022

-0.4%

Nov. 2022: 110.5 points
Nov. 2021: 110.9 points

November 2022

-0.6%

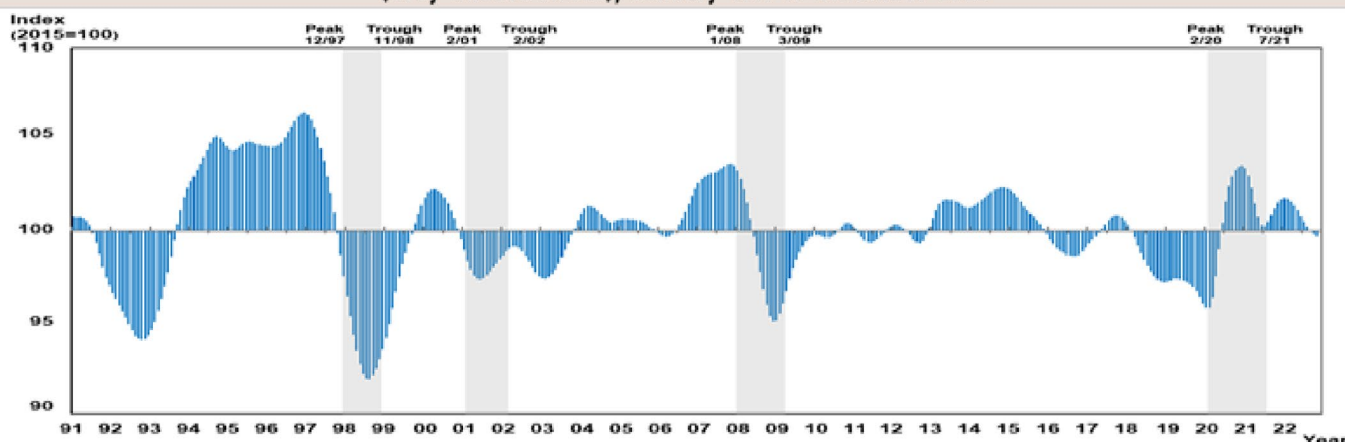
Dec. 2022: 110.7 points
Dec. 2021: 111.4 points

December 2022

Note: Economic direction forecast by Leading Composite Index in average of 4 to 6 months ahead

TIME SERIES DATA

Leading Composite Index (Long Term Trend = 100) and Business Cycle (Grey Shaded Areas), January 1991 to December 2022



0.2%

December

0.8%

November

Leading Composite Index, Monthly Change (%)

Contribution of Each Component to the Percentage Change in the Leading Composite Index from the Previous Month



Real Money Supply, M1

-0.3%|0.05%



Bursa Malaysia Industrial Index

0.5%|-0.05%



Real Imports of Semi Conductors

-0.1%|0.1%



Real Imports of Other Basic Precious & Other Non-ferrous Metals

0.1%|0.3%



Number of Housing Units Approved

0.1%|-0.1%



Expected Sales Value, Manufacturing

0.03%|0.3%



Number of New Companies Registered

-0.1%|0.2%

Note: December 2022 | November 2022

Source: Malaysian Economic Indicators- Leading, Coincident & Lagging Indexes, December 2022, Department of Statistics Malaysia (DOSM)

BUSINESS TENDENCY, Q1 2023

Q2 2022
+3.5%

Q3 2022
+4.7%

Q4 2022
+3.2%

Q1 2023
+3.6%

Malaysian businesses feel optimistic about the future business situation with confidence indicator +3.6 per cent in the first quarter 2023



+3.6%
(+3.2%)

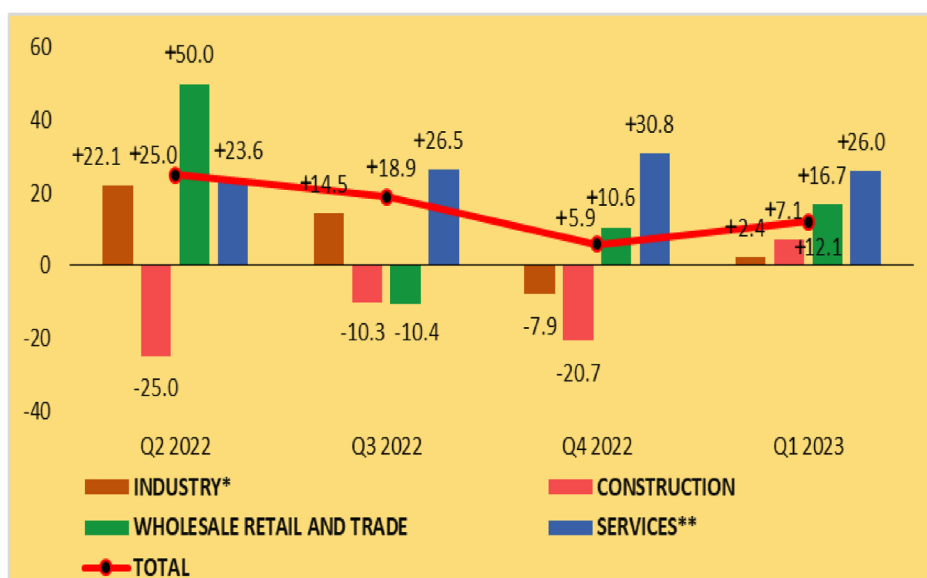
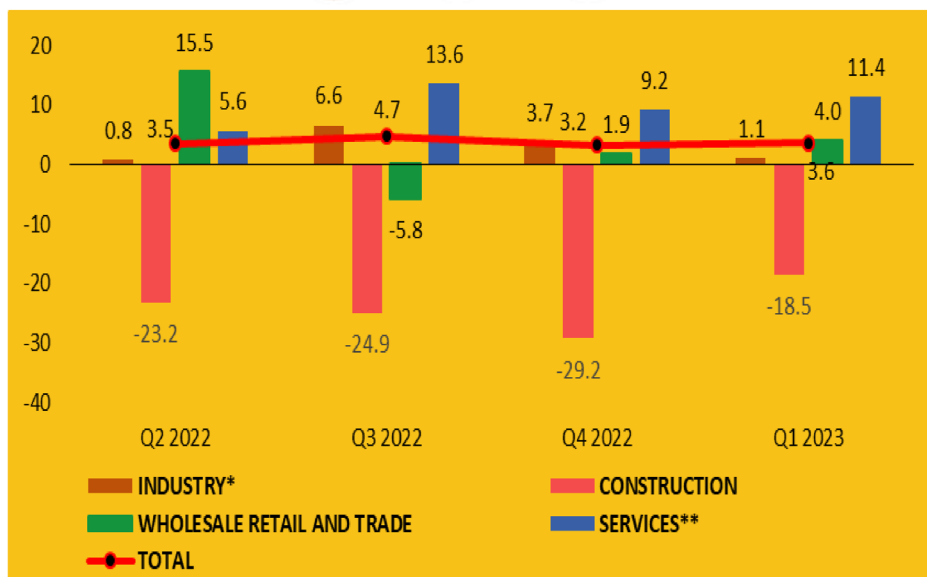
Confidence Indicator

Jan. – Mar. 2023
(Oct. – Dec. 2022)

+12.1%
(+5.9%)

Net Balance

Jan. – June 2023
(Oct. 2022 – Mar. 2023)



Note :

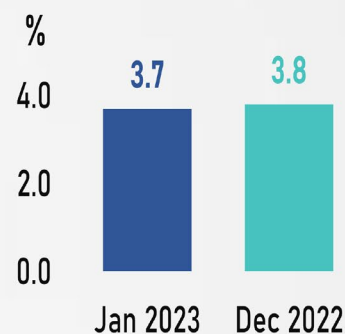
* Agriculture, Mining, Manufacturing and Electricity & Water

** Accommodations, Transportation & Storage, Communication, Finance, Insurance, Real Estate, Information Technology & Communication, Food & Beverage, Administrative & Support Services, Professional, Health, Education and Other Services

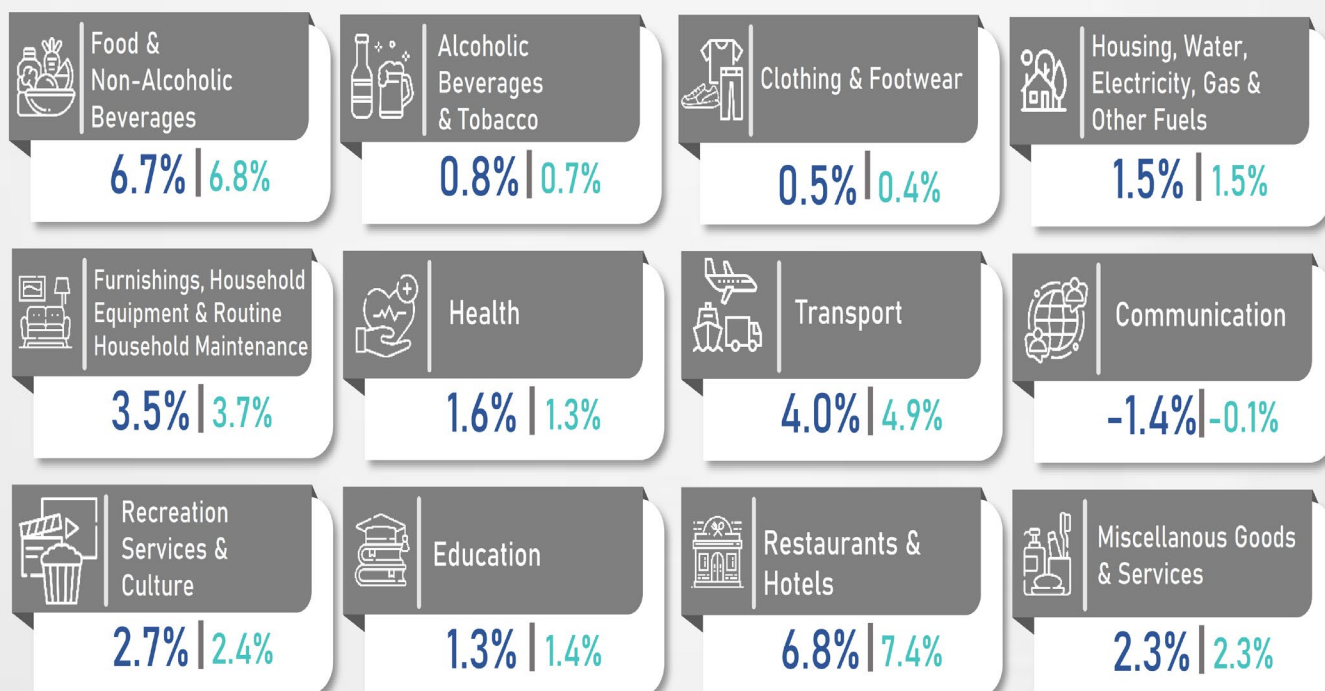
Source: Economic Indicators, Business Tendency Statistics, First Quarter 2023, Department of Statistics Malaysia (DOSM)

CONSUMER PRICE INDEX (CPI), JAN 2023

Malaysia's inflation continued to increase at a slower rate of **3.7%** in **January 2023**



INFLATION BY MAIN GROUP



INFLATION FOR URBAN & RURAL



3.7%

4.0%



2.7%

2.8%

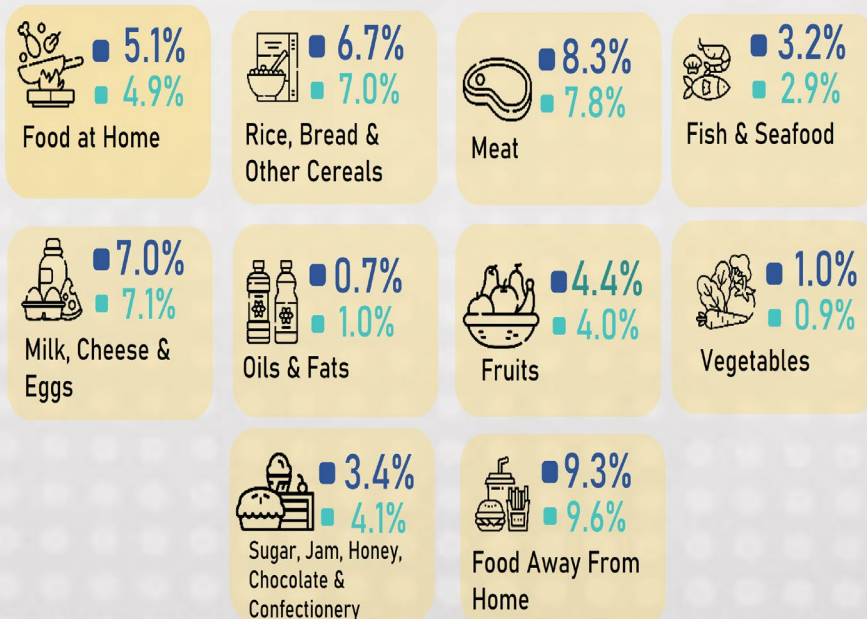
Rural

Note:

January
2023

December
2022

INFLATION FOR SUBGROUP FOOD AND BEVERAGES



Percentage Change: Year-on-Year

Source: Malaysia's Consumer Price Index (2010=100)
Department of Statistics, Malaysia (DOSM)

PRODUCER PRICE INDEX (PPI), JAN 2023

Malaysia's Producer Price Index inched up to 1.3 per cent in

JANUARY 2023

Jan 2023/Jan 2022
(year-on-year)

1.3%

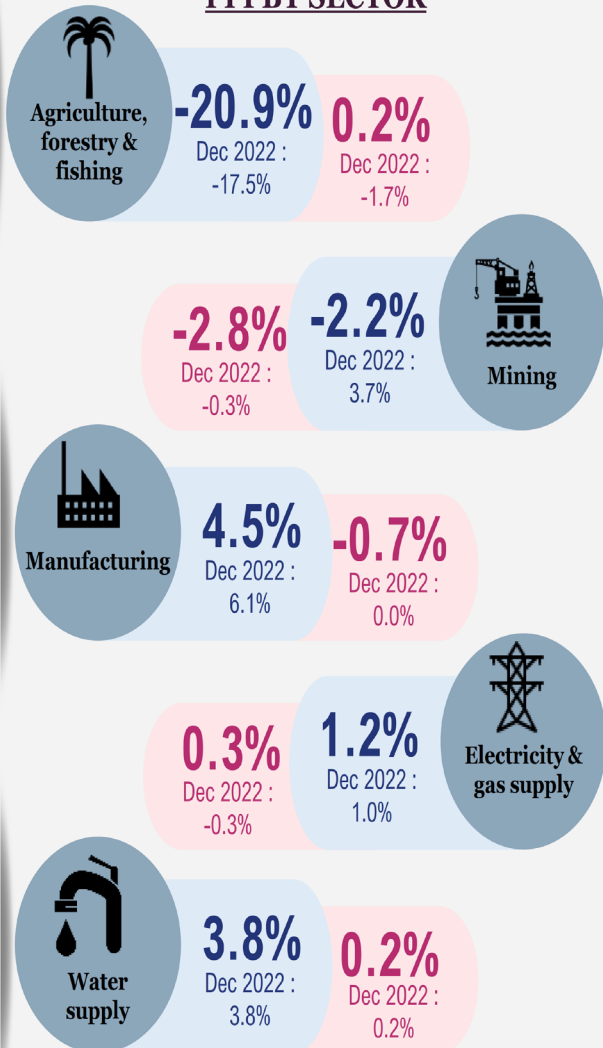
Dec 2022: 3.5%

Jan 2023/Dec 2022
(month-on-month)

-0.8%

Dec 2022: -0.3%

PPI BY SECTOR



PPI BY STAGE OF PROCESSING

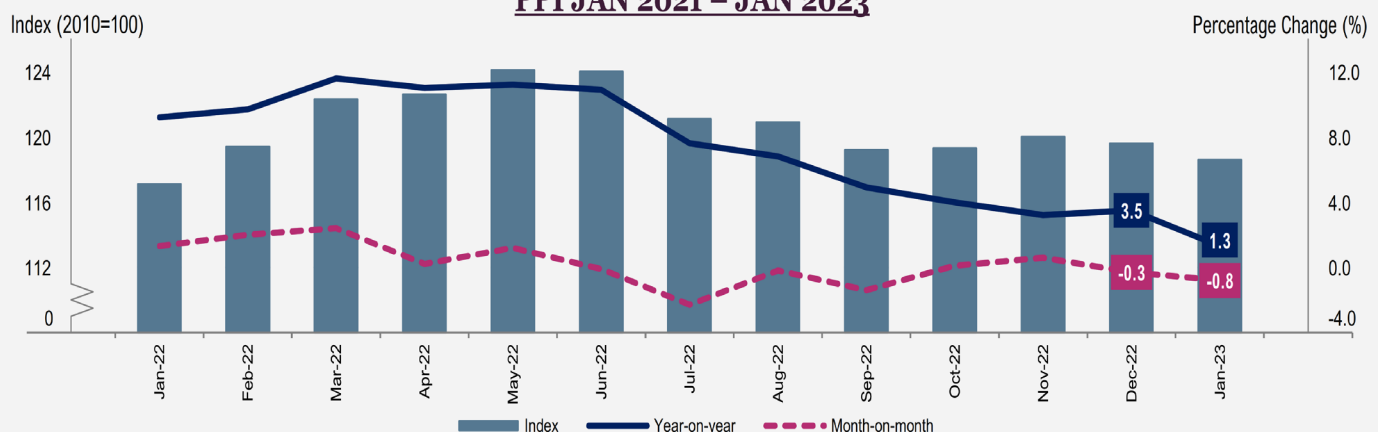


PPI OF SELECTED COUNTRIES

Jan 2023 (%)	COUNTRIES	Dec 2022 (%)
6.0	United States of America	6.5
17.8	Germany	21.6
-0.8	P.R. China	-0.7
2.4	Thailand	4.9
9.5	Japan	10.5
5.1	Republic of Korea	5.8

Source: Official website of selected NSOs

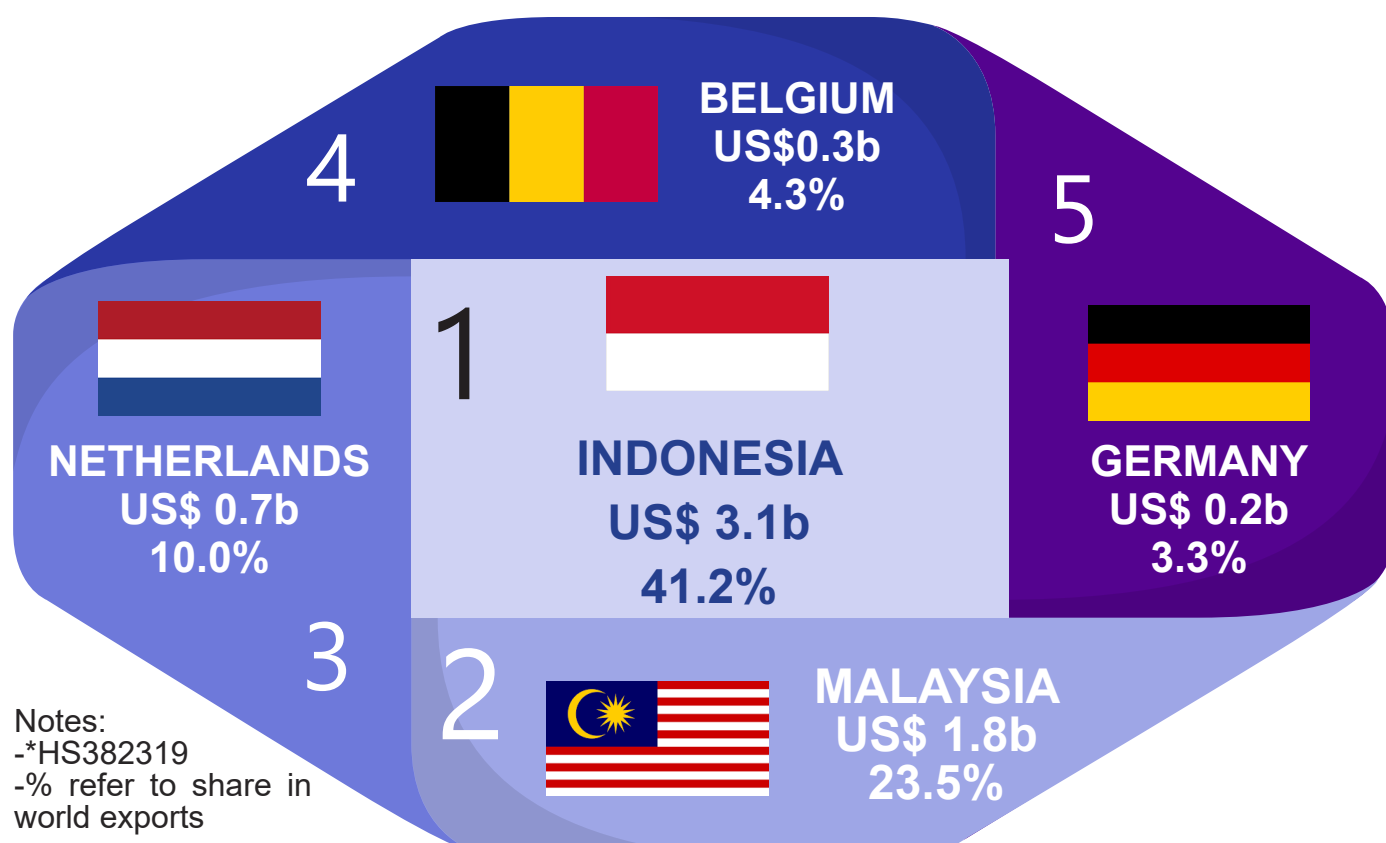
PPI JAN 2021 – JAN 2023



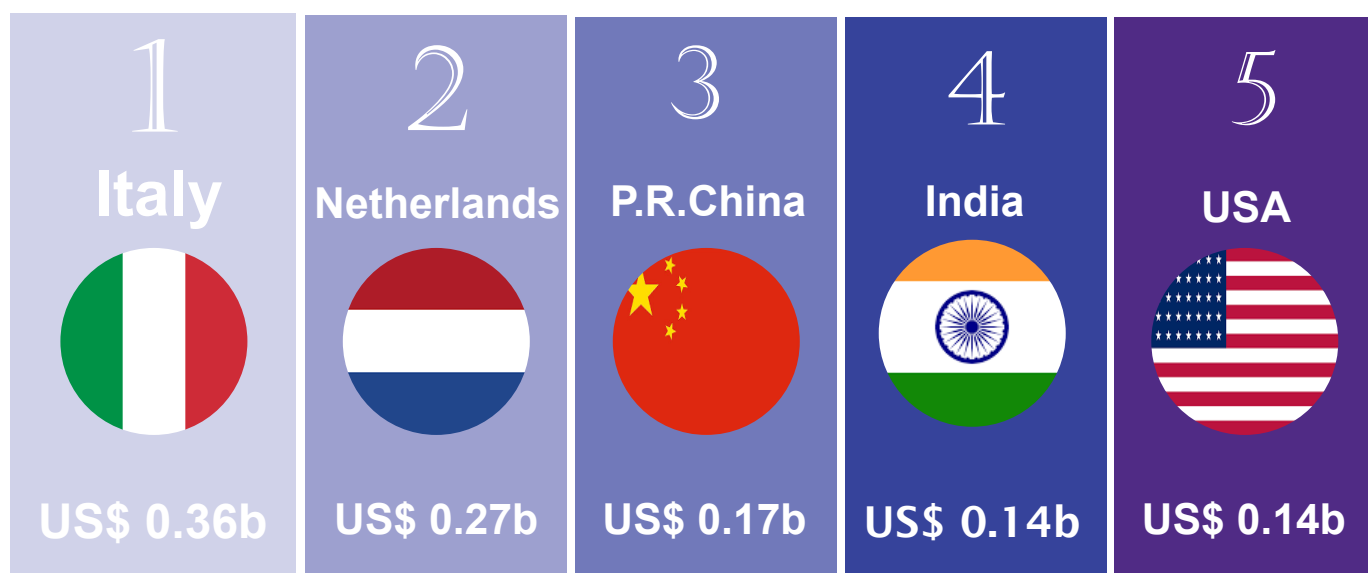
Source : Producer Price Index (2010=100) Local Production, Department of Statistics Malaysia (DOSM)

MALAYSIA'S AS SECOND LARGEST EXPORTERS IN THE WORLD OF FATTY ACIDS, INDUSTRIAL, MONOCARBOXYLIC; ACID OILS FROM REFINING

In 2021, Malaysia's export of Fatty acids, industrial, monocarboxylic; acid oils from refining (excluding stearic acid, oleic acid and tall oil fatty acids) recorded US\$ 1.8 billion which was 23.5% share of the world exports.

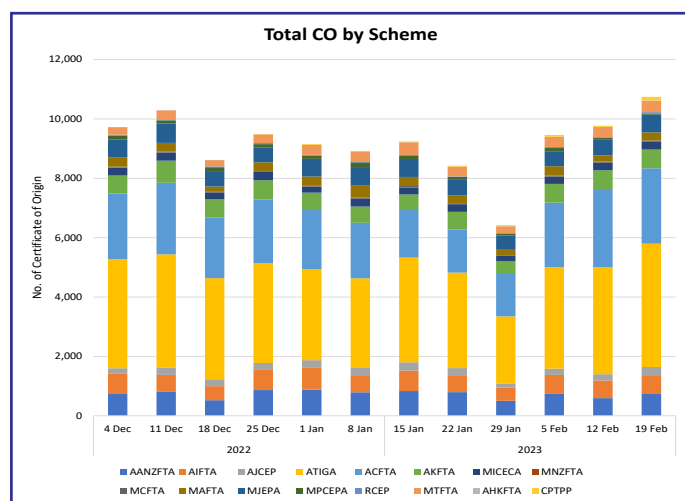


MALAYSIA'S TOP EXPORT DESTINATIONS

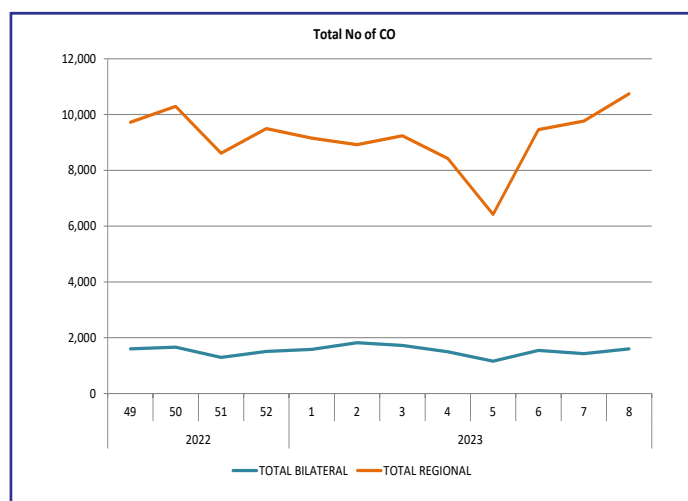


Number and FOB Value of PCO as at 19 February 2023 Weekly / Monthly/ Annually

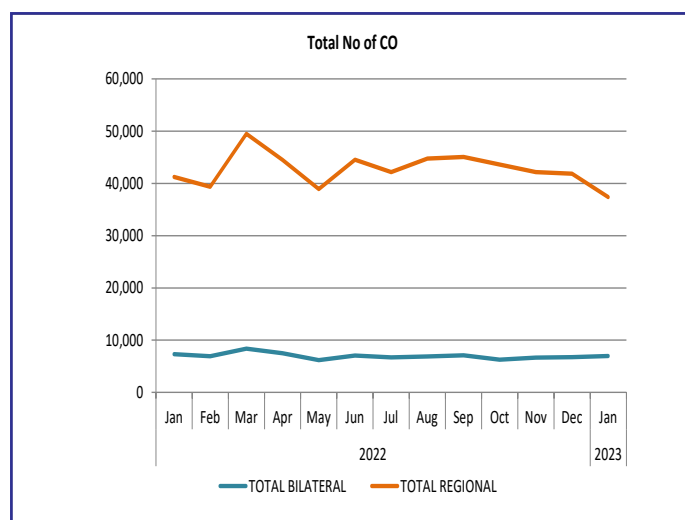
Weekly Total Scheme



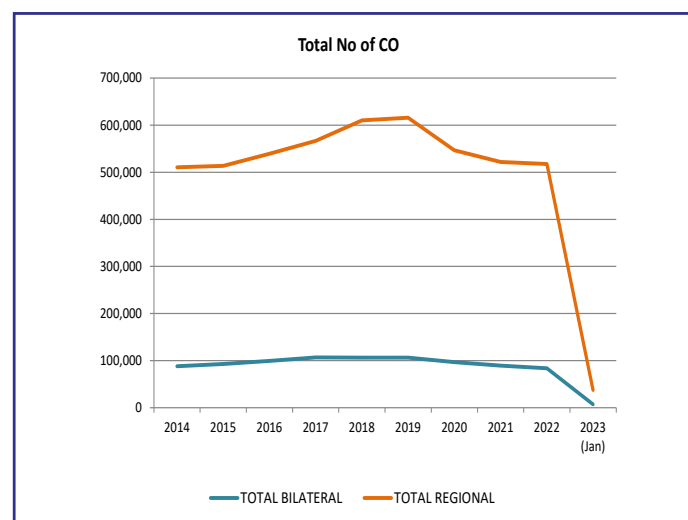
Weekly



Monthly



Annually

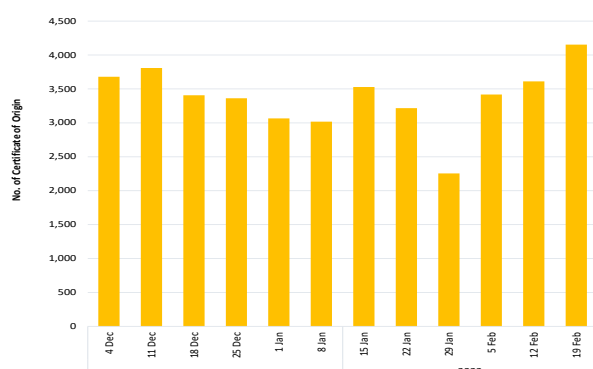


Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

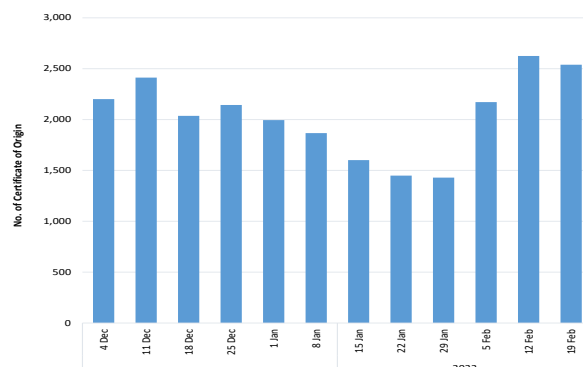
Regional FTA

Number of Preferential Certificates of Origin (PCOs) as at 19 February 2023

ASEAN Trade in Goods Agreement (ATIGA)



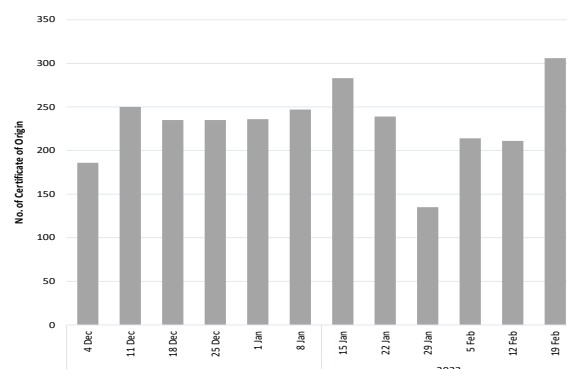
ASEAN-China Free Trade Agreement (ACFTA)



ASEAN-Korea Free Trade Agreement (AKFTA)



ASEAN-Japan Comprehensive Economic Partnership (AJCEP)

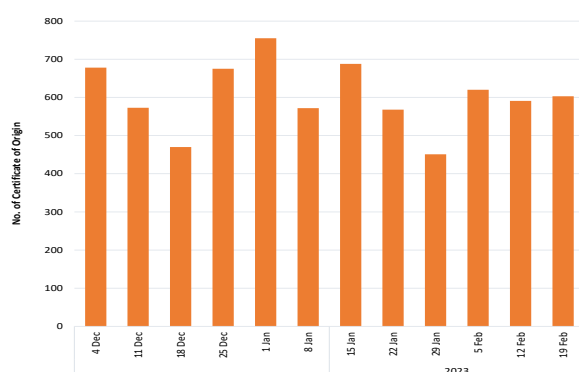


Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

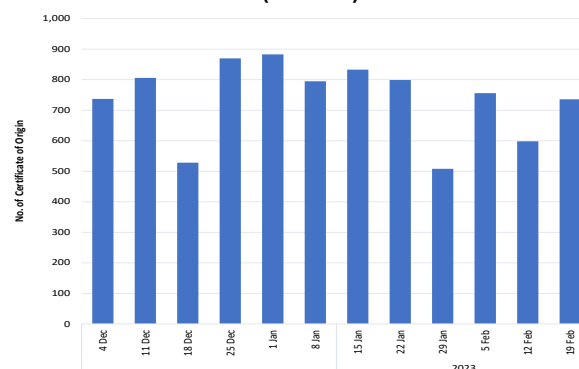
Regional FTA

Number of Preferential Certificates of Origin (PCOs) as at 19 February 2023

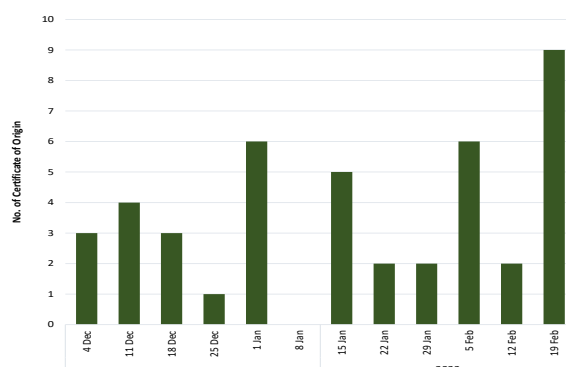
ASEAN-India Free Trade Agreement (AIFTA)



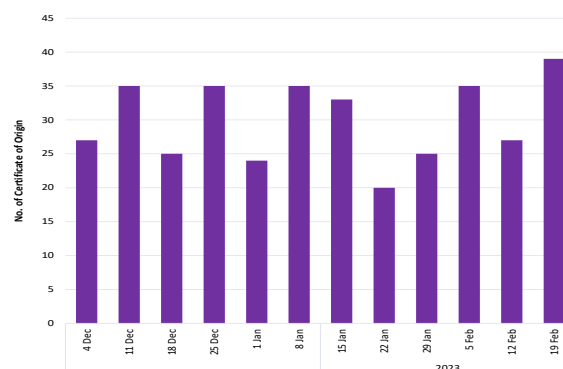
ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA)



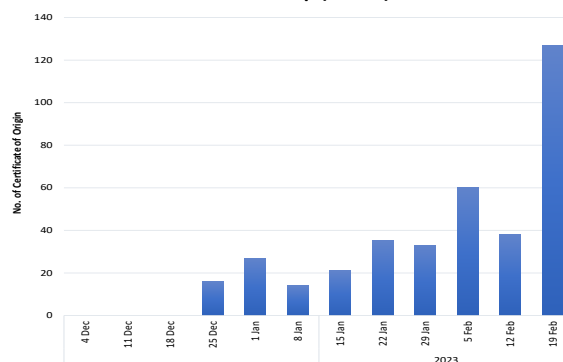
ASEAN-Hong Kong, China Free Trade Agreement (AHKFTA)



Regional Comprehensive Economic Partnership (RCEP)



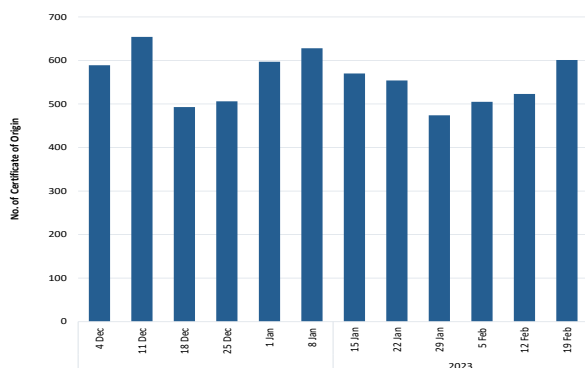
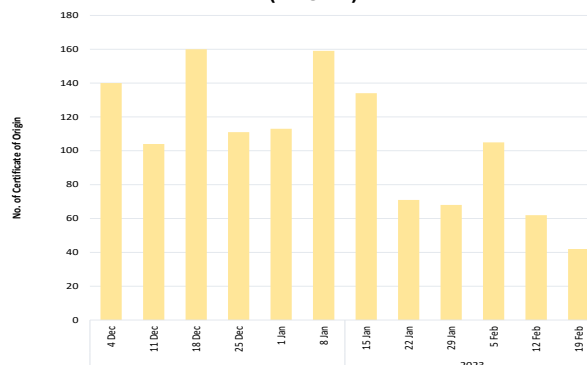
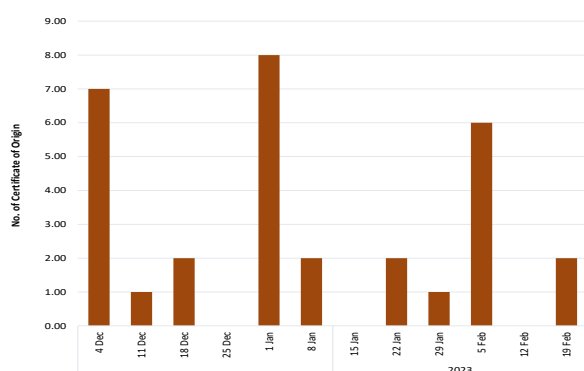
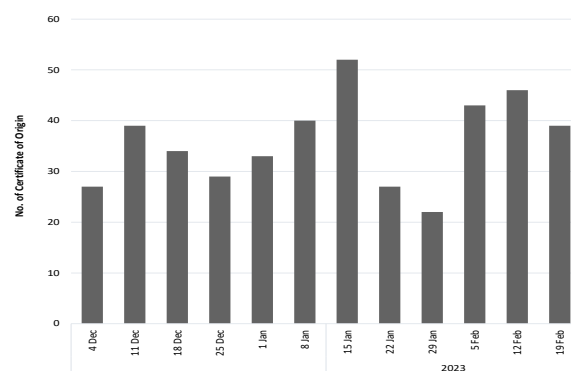
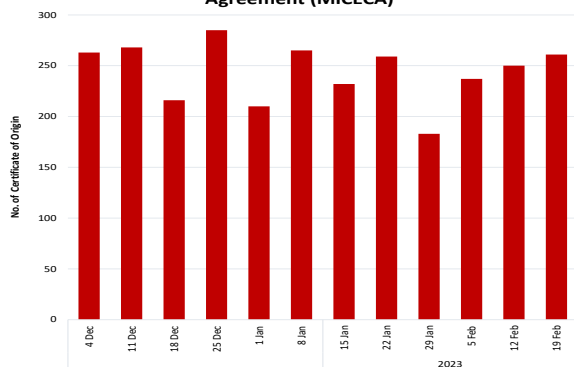
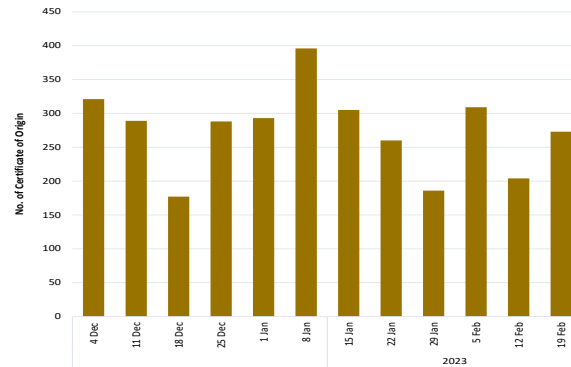
Comprehensive & Progressive Agreement for Trans-Pacific Partnership (CPTPP)



Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

Bilateral FTA

Number of Preferential Certificates of Origin (PCOs) as at 19 February 2023

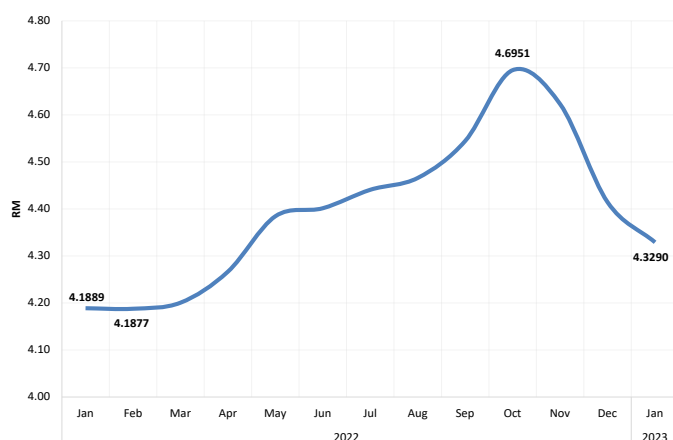
Malaysia-Japan Economic Partnership Agreement (MJEPA)

Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA)

Malaysia-New Zealand Free Trade Agreement (MNZFTA)

Malaysia-Chile Free Trade Agreement (MCFTA)

Malaysia-India Comprehensive Economic Cooperation Agreement (MICECA)

Malaysia-Australia Free Trade Agreement (MAFTA)

Malaysia-Turkey Free Trade Agreement (MTFTA)


Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

Malaysian Ringgit Exchange Rate with Selected Countries, January 2022 - January 2023

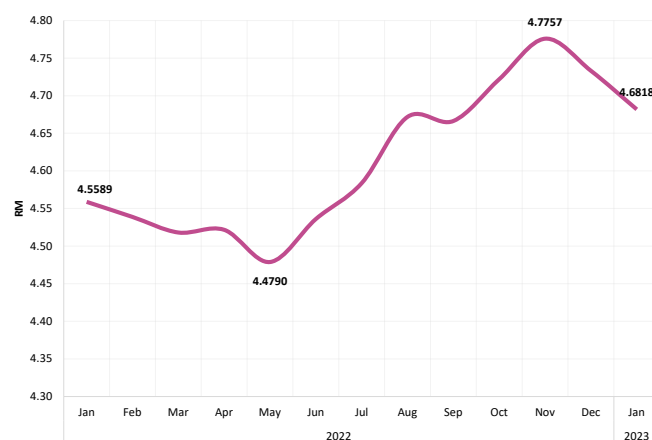
US Dollar

USD 1 = RM



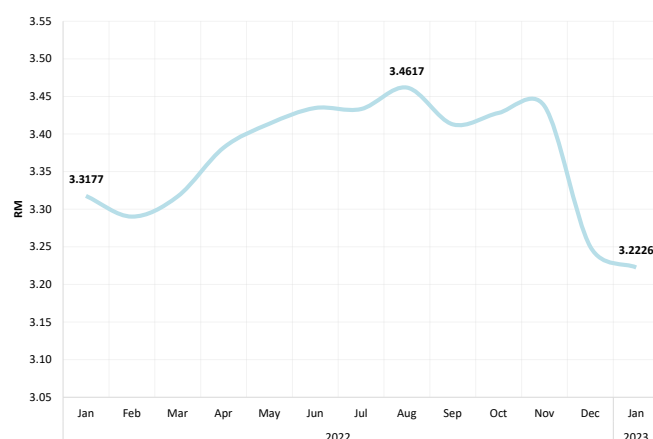
Swiss Franc

CHF 1 = RM



Canadian Dollar

CAD 1 = RM



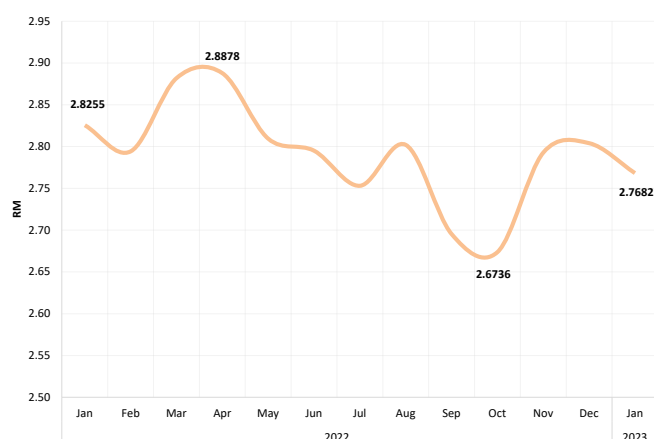
Saudi Riyal

SAR 100 = RM



New Zealand Dollar

NZD 1 = RM



Myanmar Kyat

MMK 100 = RM



Source : Bank Negara Malaysia

Commodity Prices

CRUDE PETROLEUM (BRENT) -per bbl-



▲ **3.9%***
US\$0.2
24 Feb 2023

Highest
2022/2023
20 Jan 2023 : US\$87.6
10 June 2022 : US\$122.0

6 Jan 2023 : US\$78.6
9 Dec 2022 : US\$76.1

Lowest
2022/2023

Average Price 2022 ⁱ: US\$99.4

CRUDE PALM OIL -per MT-



▲ **1.8%***
US\$938.5
24 Feb 2023

Highest
2022/2023
24 Feb 2023 : US\$938.5
11 Mac 2022 : US\$1,774.7

3 Feb 2023 : US\$877.4
30 Sep 2022 : US\$715.6

Lowest
2022/2023

Average Price 2022 ⁱ: US\$1,171.6

RUBBER SMR 20 -per MT-



▲ **2.1%***
US\$1,418.5
24 Feb 2023

COCOA SMC 2 -per MT-



▼ **0.4%***
US\$1,810.1
24 Feb 2023

SUGAR -per lbs-



▼ **0.7%***
US\$19.7
24 Feb 2023

Average Price 2022 ⁱ: US\$1,549.9

Average Price 2022 ⁱ: US\$1,564.5

Average Price 2022 ⁱ: US\$18.8

COAL -per MT-



▲ **1.0%***
US\$137.9
24 Feb 2023

Average Price 2022 ⁱ: US\$290.8

SCRAP IRON HMS -per MT-



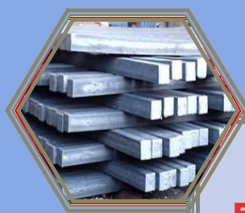
▲ **3.6%*** : ▲ **5.1%***
US\$411.4 : US\$369.8
(high) : (low)
January 2023

Average Price 2022 ⁱ: US\$469.9 (high)

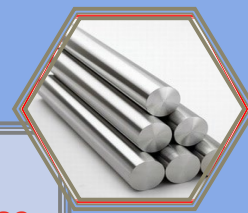
Average Price 2022 ⁱ: US\$426.3 (low)

Domestic Prices

January 2023



Billets
(per MT)
RM2,600 - RM2,614



Steel Bars
(per MT)
RM2,746 - RM2,830

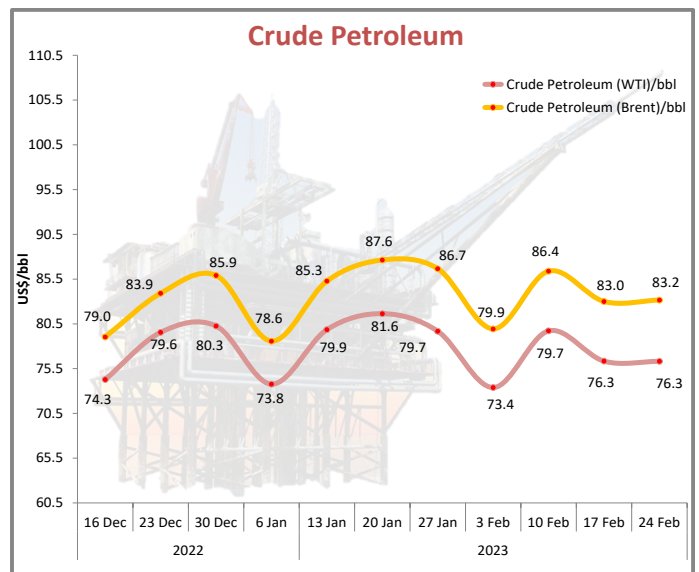
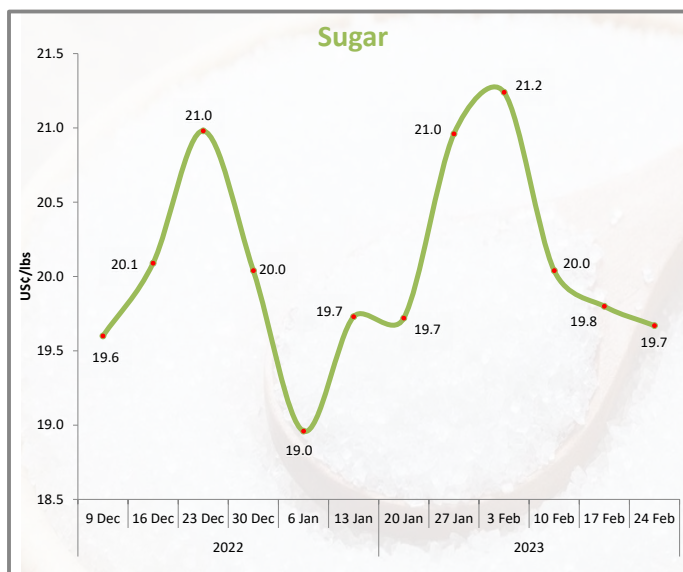
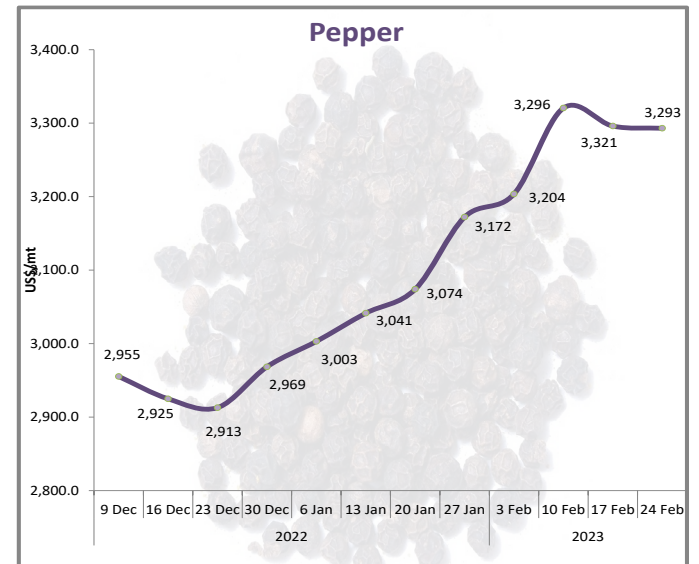
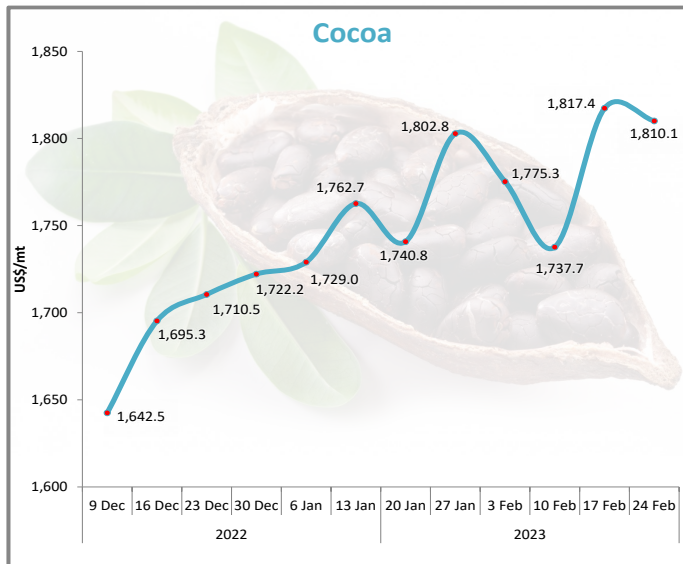
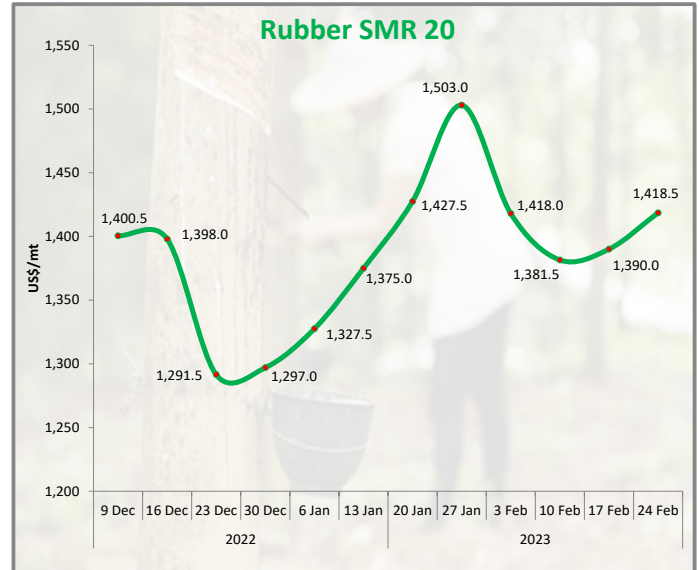
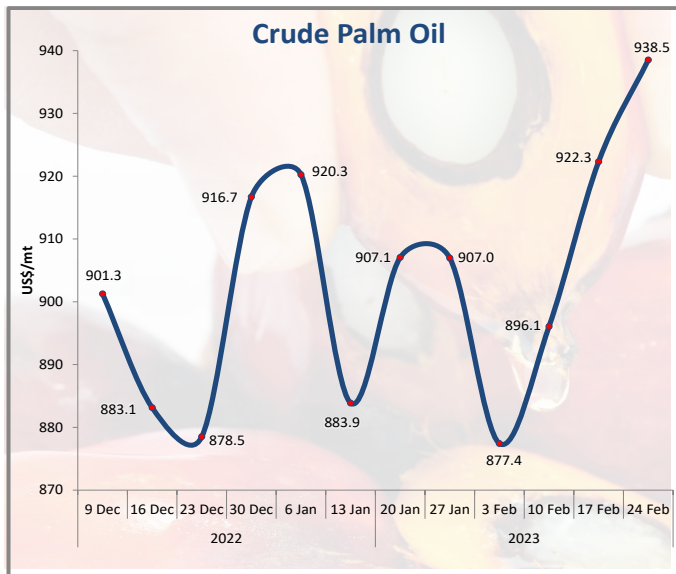
Notes: All figures have been rounded to the nearest decimal point

* Refer to % change from the previous week's price

ⁱ Average price in the year except otherwise indicated

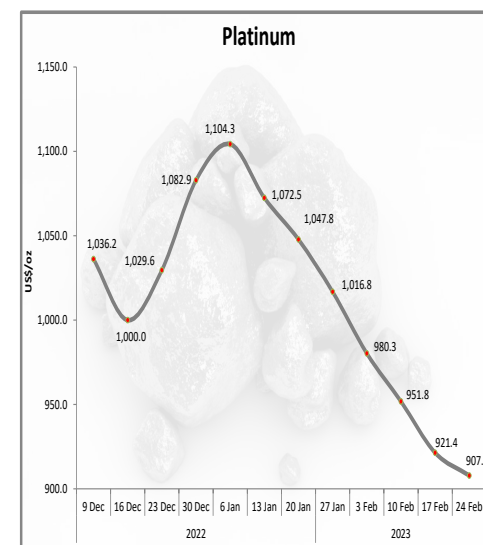
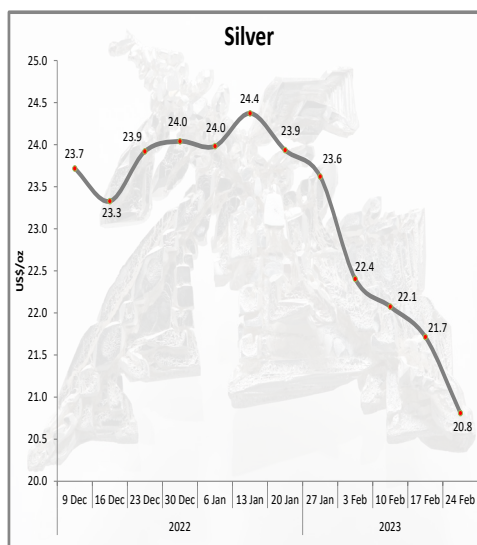
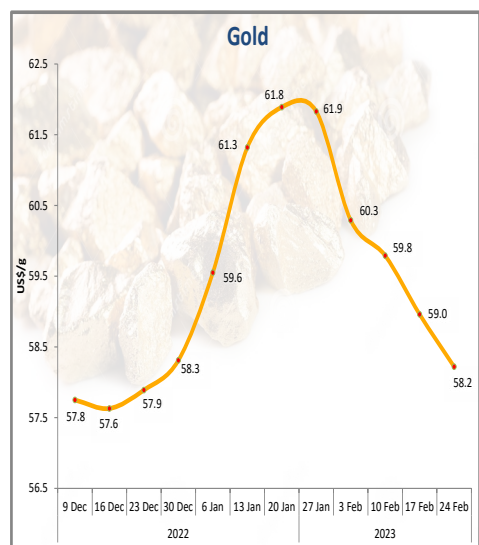
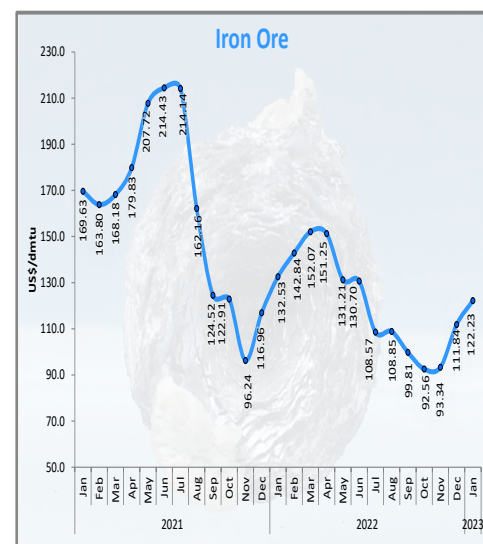
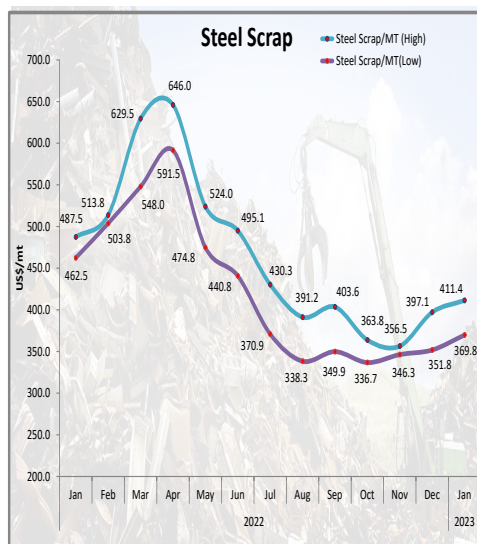
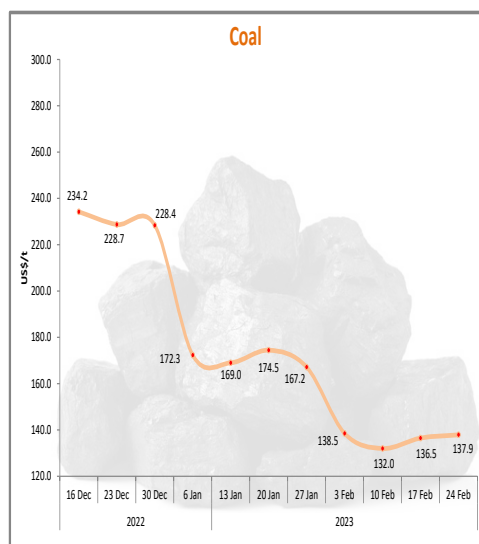
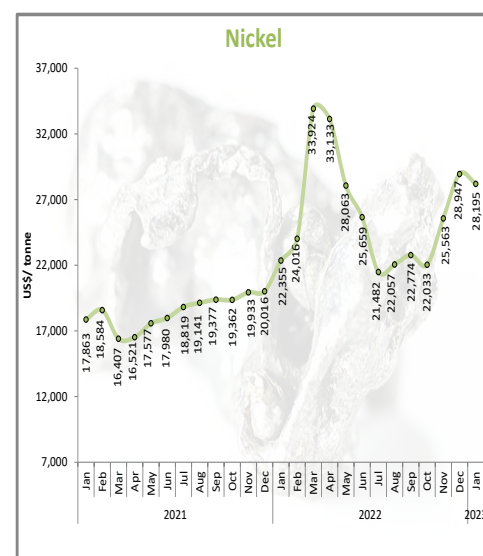
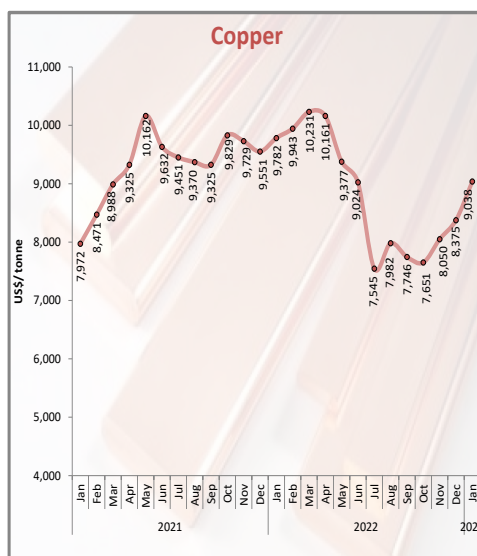
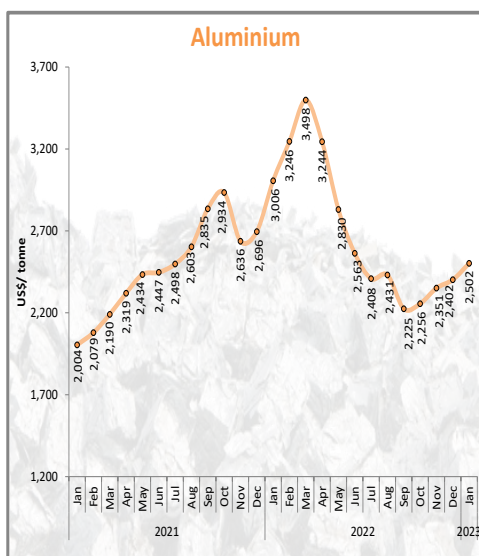
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, and Bloomberg.

Commodity Price Trends



Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

Commodity Price Trends



Sources: Ministry of International Trade and Industry Malaysia, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarikow Group, World Bank, World Gold Council, The Wall Street Journal.

RCEP

REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP (RCEP)



RCEP CONSISTS OF

10 ASEAN member countries

5 ASEAN FTA Partner countries

THE RCEP COVERS:

1 Elimination or reduction of import duties



2 Promotion, facilitation, protection and investment liberalisation



3 Protection of intellectual property rights, facilitation in e-commerce



4 Economic and technical cooperation



MAIN OBJECTIVES OF RCEP

1 Strengthening regional value chain



2 User friendly and easy to use



3 Modern, comprehensive and high quality



RCEP

Regional Comprehensive Economic Partnership (RCEP)

The Regional Comprehensive Economic Partnership (RCEP) Agreement is designed to broaden and deepen ASEAN's engagement with Australia, China, Japan, Korea and New Zealand. The objective of the trade agreement is to establish a modern, comprehensive, high-quality, and mutually beneficial economic partnership that will facilitate the expansion of regional trade and investment and contribute to global economic growth and development in the region.



2012

The decision to initiate the Regional Comprehensive Economic Partnership (RCEP) Agreement begins at the 21st ASEAN Summit

2020

The RCEP is officially signed by 10 ASEAN member countries along with five ASEAN FTA partner countries after 31 rounds of formal negotiations

Total Population
2.2 billion

Total GDP US\$24.8 billion
28.9% of the world's GDP

PRIMARY OBJECTIVES

The RCEP Agreement is created to establish a modern, comprehensive, high-quality, and mutually beneficial economic partnership that will facilitate the expansion of regional trade and investment and contribute to global economic growth and development amongst RCEP member countries.

The single regional free trade agreement (FTA) is also intended to strengthen regional value chain for businesses in the region, particularly the Small and Medium Enterprises (SMEs).

It is designed to create and support an open, inclusive, and rules-based multilateral trading system, which will in turn create avenues for market and employment opportunities for businesses and people within the region.

The trade agreement will allow businesses in RCEP member countries to gain access to a much wider regional market. Progressive elimination and reduction of customs duties for trade in goods as well as facilitation of export and import of goods among the RCEP countries will serve to enhance inter and intra-regional trade and investment whilst strengthening regional value chains.

To serve as a vital economic tool to spur economic growth in the region. It will also allow more seamless opening of markets whilst creating uninterrupted supply chains within the region. The trade agreement is also intended to help facilitate transparency, information exchange and better compliance for technical regulations and standards amongst RCEP member countries.

KEY FEATURES OF THE RCEP



Trade In Goods

Progressive elimination of tariff and non-tariff barriers on substantially all trade in goods including the related chapters of rules of origin, customs procedures, sanitary and phytosanitary measures, standards, technical regulations and conformity assessment procedures and trade remedies in order to establish a free trade area among the parties.



Trade In Services

Liberalisation of services sectors, including financial services, telecommunications services and movement of natural persons. The RCEP will be comprehensive, of high quality and substantially eliminate restrictions and/or discriminatory measures with respect to trade in services between the RCEP participating countries. Rules and obligations on trade in services under the RCEP will be consistent with the General Agreement on Trade in Services (GATS).



Investment

Promotion, facilitation, protection and liberalisation of investment. The RCEP will aim to create a liberal, facilitative, and competitive investment environment in the region based on these four pillars in order to create an enabling investment environment in the region along with improved investment facilitation provisions as well as investor aftercare.

Economic & Technical Cooperation

The economic and technical cooperation provisions in the RCEP will build upon existing economic cooperation arrangements between ASEAN and ASEAN's FTA partners to narrow the development gaps amongst member countries. Under the RCEP agreement, cooperation activities will also include trade activities such as include e-commerce and other areas that would be mutually agreed upon by the RCEP participating countries.



Protection Of Intellectual Property Rights

Aimed at reducing IP-related barriers to trade and investment by promoting economic integration and cooperation in the utilization, protection and enforcement of intellectual property rights amongst RCEP member countries.



MINISTRY OF
INTERNATIONAL TRADE AND INDUSTRY



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

INDUSTRY4WRD READINESS ASSESSMENT

Get your firm assessed. Be ready for Industry 4.0.

All you need to know about Industry4WRD RA



What is it?

Trained assessors will help you to understand your readiness for Industry 4.0 and make recommendations on where to start your transformation.

Who is eligible? ✓ Manufacturing and its related services sector



- ✓ Valid registration and business licences
- ✓ Company has at least 60% local equity
- ✓ In operation for more than 3 years

What are the benefits?



Identify areas of improvement in terms of people, process and technology.



Receive comprehensive readiness report.



Be entitled to apply for financial incentives.



Process Flow

A FEW SIMPLE STEPS

Incentives for RA

- Government-funded assessment for eligible SMEs.
- Others will get tax exemption on RA fees up to RM27k.



Enquiries

- General: i4.0@miti.gov.my
- RA: industry4wrд@mpc.gov.my



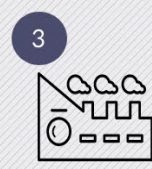
Readiness Assessment



Apply online at www.miti.gov.my/industry4wrд



Evaluation by Committees



Onsite Assessment



Receive RA Report

Business Intervention



Develop Intervention Proposal



Apply for Financial Incentives



Implement the Intervention Plan

For more information, kindly click the following links:

<https://www.miti.gov.my/index.php/pages/view/industry4WRD>



#MITIPOCKETTALK

- ✓ Introduction to FTAs
- ✓ Introduction to Preferential Certificate of Origin (PCO)
- ✓ Introduction to Strategic Trade Act 2010

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